

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 02914 01 OF 02 252023 Z

71

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 AF-10 AGR-20 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 L-03

NSC-10 SS-15 STR-08 CEA-02 EA-11 RSR-01 /191 W

----- 042473

R 251618 Z MAY 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5279

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE SECTION 1 OF 2 EC BRUSSELS 2914

E. O.11652: N/ A

TAGS: ETRD, EAID, EEC, XB, XM, XA

SUBJECT: EC COUNCIL WORKING PARTY REPORT ON A WORLDWIDE
DEVELOPMENT

POLICY FOR COMMUNITY

1. SUMMARY: A SPECIAL COUNCIL WORKING GROUP ORGANIZED
IN DECEMBER 1972 AS THE RESULT OF THE PARIS SUMMIT
MEETING HAS COMPLETED A REPORT ON COMMUNITY DEVELOPMENT
POLICY. ALTHOUGH THE COUNCIL DOES NOT PLAN TO
RELEASE THE REPORT WE HAVE OBTAINED A COPY (FRENCH
TEXT) WHICH IS BEING FORWARDED TO THE DEPARTMENT
(EUR/ RPE) UNDER COVER OF AN AIRGRAM. THE MISSION WILL
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 02914 01 OF 02 252023 Z

FORWARD COPIES OF THE ENGLISH TEXT WHEN AVAILABLE.
THE REPORT IS DIVIDED INTO THREE SECTIONS: (A) LDC
EXPORT GROWTH: (B) FINANCIAL RESOURCES FOR DEVELOPMENT:
AND (C) THE HARMONIZATION AND COORDINATION OF MEMBER
STATE BILATERAL DEVELOPMENT POLICIES. FOR THE MOST
PART THE REPORT REPRESENTS A REWORKING OF PAST STUDIES
CARRIED OUT BY THE COMMISSION, THE DAC, ETC. DESPITE
SOME DISAPPOINTMENT LOCALLY, THERE IS GENERAL AGREEMENT
THAT THE REPORT IS A NECESSARY FIRST STEP IN THE
EVOLUTION OF A MORE COHERENT COMMUNITY POLICY. INITIAL
EC COUNCIL DISCUSSION IS EXPECTED FOR JUNE 25-26. END
SUMMARY.

2. THE COUNCIL REPORT WAS DRAFTED OVER A FOUR AND
ONE- HALF MONTH PERIOD. IT IS PRIMARILY THE WORK OF
EXPERTS FROM MEMBER STATE CAPITALS. (THE FRENCH,
PERHAPS TO SHOW THEIR LACK OF ENTHUSIASM FOR THE
PROJECT, WERE ALONE IN STAFFING THE WORKING PARTY
OUT OF THEIR BRUSSELS DELEGATION.)

3. INTRODUCTION: IN THE REPORT' S INTRODUCTION, THE
WORKING PARTY MAKES CLEAR ITS BELIEF THAT A COMMUNITY
DEVELOPMENT POLICY ON A WORLD SCALE MUST BE SOMETHING
MORE THAN THE SUMMATION OF INDIVIDUAL MEMBER STATE
DEVELOPMENT EFFORTS: THAT ITS GOAL SHOULD BE A
COHERENT POLICY, ASSURING THE BEST UTILIZATION OF
RESOURCES AND STRIKING A BALANCE BETWEEN THE
COMMUNITY' S REGIONAL COMMITMENTS AND WORLDWIDE
RESPONSIBILITIES.

4. PART I - THE GROWTH OF LDC EXPORTS: COMMODITY
AGREEMENTS - THE REPORT CONFIRMS MEMBER STATE SUPPORT
FOR WORLDWIDE COMMODITY AGREEMENTS IN APPROPRIATE BUT
UNSPECIFIED CASES. THE WORKING GROUP ALSO AGREED THAT
COMMODITY AGREEMENTS SHOULD IN GENERAL BE CONFINED
TO MEETING THE MARKETING PROBLEMS OF A PARTICULAR
PRODUCT. UNDER CERTAIN CIRCUMSTANCES, HOWEVER, IT
MIGHT BE APPROPRIATE TO INCLUDE IN SUCH ARRANGEMENTS
ACTIVITIES INVOLVING BOTH PRODUCTION AND CONSUMPTION
OF THE PRODUCTS INVOLVED. A KEY QUESTION, WHICH
MEMBER STATE EXPERTS WERE UNABLE TO RESOLVE, IS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 02914 01 OF 02 252023 Z

WHETHER THE COMMUNITY SHOULD PARTICIPATE IN REGIONAL
COMMODITY AGREEMENTS IN THOSE CASES WHERE AN AGREEMENT
ON A WORLDWIDE LEVEL COULD NOT BE ACHIEVED. SOME
MEMBER STATES OBJECTED THAT REGIONAL AGREEMENTS WOULD
RESULT IN DISCRIMINATION BETWEEN THOSE LDC' S INCLUDED
AND THOSE EXCLUDED. THIS IS, IN THEIR VIEW, INCOMPATIBLE

WITH A WORLDWIDE DEVELOPMENT POLICY. THIS SUBJECT WAS DISCUSSED IN THE CONTEXT OF THE FORTHCOMING RE-NEGOTIATION OF THE YAOUNDE CONVENTION. EVEN HERE THE MEMBER STATES COULD NOT AGREE WHETHER PROTOCOL 22 CALLED FOR A REGIONAL SOLUTION TO COMMODITY PROBLEMS OR WHETHER, UNDER THAT PROTOCOL, THE COMMUNITY'S COMMITMENT TO CERTAIN LDC'S COULD BE FULFILLED THROUGH PARTICIPATION IN A WORLDWIDE AGREEMENT.

5. IMPROVEMENT OF THE COMMUNITY'S GSP SCHEME - THE WORKING PARTY AGREED THAT THE OPERATION OF THE PRESENT GSP SYSTEM SHOULD BE IMPROVED. THEY RECOMMEND THAT THE BASE YEAR FOR CALCULATING IMPORT CEILINGS BE CHANGED FROM 1968 TO 1971. ALTHOUGH THE WORKING GROUP SPECIFICALLY EXCLUDED ANY CHANGE IN THE TREATMENT OF TEXTILE PRODUCTS, THEY RECOMMENDED THAT FOR OTHER PRODUCTS IN BTN CHAPTERS 25-99 REDUCTION IN THE NUMBER OF ITEMS NOW SUBJECT TO TARIFF QUOTAS BE CONSIDERED. THE REPORT ALSO RECOMMENDS THAT, ON A CASE BY CASE BASIS, "BUTOIR" LEVELS BE RAISED. FOR BTN CHAPTERS 1-24, THE WORKING GROUP RECOMMENDS THAT THE COMMUNITY CAUTIOUSLY CONSIDER THE INCLUSION IN ITS SCHEME OF PROCESSED AGRICULTURAL PRODUCTS -- KEEPING IN MIND THE IMPACT ON THE ASSOCIATED STATES.

6. LDC EXPORT PROMOTION - THE REPORT RECOMMENDS STRENGTHENING VARIOUS ACTIVITIES IN THE MEMBER STATES AIMED AT PROMOTING LDC EXPORTS TO THE COMMUNITY. (SUCH ACTIVITIES TO DATE HAVE BEEN PRIMARILY IN FAVOR OF THE YAOUNDE COUNTRIES.) IT ALSO RECOMMENDS THAT EFFORTS BE MADE TO PUBLICIZE COMMUNITY REGULATIONS THAT AFFECT LDC EXPORTS AND TO PROVIDE DEVELOPING COUNTRIES WITH TECHNICAL AND FINANCIAL ASSISTANCE TO AID THEM IN DEVELOPING EXPORT MARKETS.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 EC BRU 02914 01 OF 02 252023 Z

LIMITED OFFICIAL USE
NMAFVVZCZ

ADP000
LIMITED OFFICIAL USE

PAGE 01 EC BRU 02914 02 OF 02 252025 Z

71
ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 AF-10 AGR-20 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 L-03

NSC-10 SS-15 STR-08 CEA-02 EA-11 RSR-01 /191 W

----- 042505

R 251618 Z MAY 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5280

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE SECTION 2 OF 2 EC BRUSSELS 2914

7. PART II - FINANCIAL RESOURCES FOR THE LDC' S: OFFICIAL
DEVELOPMENT ASSISTANCE - THE WORKING PARTY WAS IN GENERAL
AGREEMENT ON THE NEED TO INCREASE THE LEVEL OF OFFICIAL
DEVELOPMENT ASSISTANCE. THEY WERE, HOWEVER, UNABLE TO
AGREE ON THE APPROPRIATENESS OF THE 0.7 PERCENT OF GVP
TARGET, OR ON THE TIMETABLE FOR REACHING SUCH A TARGET.
THE WORKING PARTY ALSO AGREED ON THE NEED FOR SPEICAL
ACTION ON BEHALF OF THE LEAST DEVELOPED COUNTRIES. MOST
WERE PREPARED TO WORK TOWARD THE HARMONIZATION OF
MEMBER STATE POLICIES WITH REGARD TO THESE COUNTRIES --
SPECIFICALLY TO INCREASE THE GRANT AND INTEREST FREE
LOAN ELEMENT OF THEIR AID. ON AID UNTYING, MOST
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 EC BRU 02914 02 OF 02 252025 Z

OF THE MEMBER STATES ARE PREPARED TO CONSIDER UNTYING
AT LEAST AT THE COMMUNITY LEVEL.

8. MEASURES TO ENCOURAGE THE FLOW OF PRIVATE CAPITAL -
THE WORKING PARTY NOTED THAT THERE WERE SEVERAL MEANS
OF ENCOURAGING THE FLOW OF PRIVATE CAPITAL TO THE LDC' S
INCLUDING EXPORT CREDITS, DIRECT INVESTMENT AND LOANS
FLOATED ON DEVELOPED COUNTRY CAPITAL MARKETS. MOST OF
THE DISCUSSION, HOWEVER, REVOLVED AROUND A SYSTEM OF
INVESTMENT GUARANTEES. THE WORKING PARTY RECOMMENDED
THAT THE COMMUNITY- WIDE INVESTMENT GUARANTEE SYSTEM.

9. LDC INDEBTEDNESS - THE WORKING PARTY AGREED THAT LDC INDEBTEDNESS HAS BECOME A SERIOUS PROBLEM. THEY COULD NOT AGREE ON HOW BEST TO ATTACK THE PROBLEM. MEASURES CONSIDERED INCLUDED INCREASING OFFICIAL DEVELOPMENT ASSISTANCE, SOFTENING LOAN TERMS, ELIMINATING INTEREST PAYMENTS, AND DEBT CONSOLIDATION. IN ADDITION THE WORKING PARTY RECOMMENDED BETTER COORDINATION AMONG THE MEMBER STATES, AND AMONG ALL INDUSTRIALIZED COUNTRIES, TO PREVENT A TOO RAPID EXPANSION OF PRIVATE CREDITS IN THE COUNTRIES INVOLVED.

10. INSTRUMENTS OF EC DEVELOPMENT ASSISTANCE FINANCING - THE WORKING GROUP CONSIDERED THAT A COMMUNITY DEVELOPMENT POLICY SHOULD, OVER TIME, INCLUDE COMMON COMMUNITY AID BEYOND WHAT THE FED IS NOW DOING. MEMBER STATE REPRESENTATIVES COULD NOT AGREE, HOWEVER, THAT SUCH DEVELOPMENT ASSISTANCE SHOULD BE FINANCED OUT OF THE COMMUNITY'S "OWN RESOURCES". SOME MEMBER STATES HELD THAT SUCH FINANCING SHOULD REMAIN IN THE HANDS OF NATIONAL GOVERNMENTS.

11. PART III - THE HARMONIZATION AND COORDINATION OF MEMBER STATE DEVELOPMENT POLICIES. THE REPORT RECOMMENDS THAT OVER TIME THERE SHOULD BE A GRADUAL HARMONIZATION OF INDIVIDUAL MEMBER STATE DEVELOPMENT POLICIES: E. G, GREATER EXCHANGES OF INFORMATION; BETTER COORDINATION OF PROGRAMS AND PROJECTS -- PARTICULARLY WITH REGARD TO THOSE COUNTRIES WHERE THE COMMUNITY PLAYS AN IMPORTANT ROLE. THIS SECTION OF LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 EC BRU 02914 02 OF 02 252025 Z

THE REPORT ALSO UNDERSCORES THE NEED FOR THE MEMBER STATES TO WORK TOGETHER IN INTERNATIONAL ORGANIZATIONS IN ORDER TO DEVELOP TO THE EXTENT POSSIBLE COMMON COMMUNITY POSITIONS.

12. COMMENT: SEVERAL OF OUR SOURCES HAVE EXPRESSED DISAPPOINTMENT WITH THE REPORT ON THE GROUNDS THAT IT REPRESENTS LITTLE MORE THAN THE REHASHING OF MATERIAL WHICH HAS BEEN DISCUSSED IN OTHER FORA OVER THE PAST DECADE. MEMBER STATE DIFFERENCES ARE READILY APPARENT. ON THE POSITIVE SIDE IT IS VIEWED, HOWEVER, AS A NECESSARY FIRST STEP TOWARD THE DEVELOPMENT OF A MORE COHERENT COMMUNITY DEVELOPMENT POLICY -- A POLICY WHICH, OVER TIME, COULD HAVE WORLDWIDE IMPLICATIONS. LOCAL SOURCES SEEM UNCLEAR ON WHAT HAPPENS NEXT. SOME BELIEVE THAT THIS FIRST EFFORT SHOULD BE FOLLOWED BY FURTHER IN-DEPTH STUDIES OF THE SPECIFIC ISSUES. THE FRENCH WHO, NOT SURPRISINGLY, WERE THE MOST CAUTIOUS THROUGHOUT THE STUDY, BELIEVE THAT THE

MANDATE FROM THE HEADS OF GOVERNMENT HAS BEEN FULFILLED
AND THAT FURTHER STUDIES ARE NOT APPROPRIATE.
THERE HAVE BEEN SUGGESTIONS THAT A PERMANENT WORKING
GROUP BE ESTABLISHED WHICH WOULD DEVOTE ITS ATTENTION
EXCLUSIVELY TO DEVELOPMENT QUESTIONS. ANOTHER
SUGGESTION CALLS FOR AN ANNUAL COMMUNITY REVIEW AND
REASSESSMENT OF MEMBER STATE DEVELOPMENT POLICIES. A
CLEARER PICUTRE OF THE NEXT STEPS IN THIS DIRECTION
MAY EMERGE FROM THE INITIAL COUNCIL- LEVEL DISCUSSION
OF THE REPORT THAT IS EXPECTED TO TAKE PLACE AT THE
JUNE 25-26 COUNCIL MEETING. GREENWALD

LIMITED OFFICIAL USE
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU02914
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730554/aaaajtnb.tel
Line Count: 290
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2001 by boyleja>; APPROVED <12-Sep-2001 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980305
Subject: EC COUNCIL WORKING PARTY REPORT ON A WORLDWIDE DEVELOPMENT POLICY FOR COMMUNITY
TAGS: EAID, ETRD, XA, XB, XM, EEC
To: BONN
BRUSSELS
COPENHAGEN
DUBLIN
EUR
LONDON
LUXEMBOURG

SECSTATE WASHDC

THE HAGUE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005